

P R O G R A M A
ONU-REDD



Panama National Programme 2012 Annual Report

UN-REDD Programme

31 December 2012

1. National Programme Status

1.1 National Programme Identification

Please identify the National Programme by completing the information requested below. The Government Counterpart and the designated National Programme focal points of the participating UN organizations will also provide their electronic signature below, prior to submission to the UN-REDD Secretariat.

| | |
|---|---|
| Country: Panama Programme Title: UN Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries Joint Programme Document (UN REDD Panama Programme) | Start date¹: 27 October 2010 Date of first transfer of funds²: 18 November 2010 End date according to National Programme Document: January 2014 No-cost extension requested³: December 2014 |
|---|---|

Implementing Partners⁴: ANAM, MEF, COONAPIP

The financial information reported should include overhead, M&E and other associated costs.

| Financial Summary (USD)[1] | | | |
|----------------------------|------------------------------|----------------------|---|
| UN Agency | Approved Programme Budget[2] | Transferred funds[3] | Cumulative expenditures up to 31 December 2012[4] |
| FAO | 2,189,000.00 | 1,679,900.00 | 646,726.52 |
| UNDP | 2,067,350.00 | 906,290.00 | 636,419.12 |
| UNEP | 1,043,650.00 | 833,530.00 | 785,554.00 |
| <i>Total</i> | 5,300,000.00 | 3,419,720.00 | 2,068,699.64 |

| Electronic signatures by the designated UN organization ⁵ | | | Electronic signature by the Government Counterpart |
|--|---------------------------------------|--|--|
| FAO | UNDP | PNUMA | |
| | | | |
| Type the name of signatories in full: | | | |
| Allan Hruska Representative a.i. in Panamá | Kim Bolduc Resident Representative | Margarita Astralaga Regional Director | Gerardo González National Director for Integrated Management of Hydrographic Basins |

¹ Date of signature on the National Programme Document

² As reflected on the MPTF Office Gateway www.mdtf.undp.org.

³ If yes, please provide new end date.

⁴ Those organizations either sub-contracted by the Project Management Unite or those organizations officially identified in the National Programme Document as responsible for implementing a defined aspect of the project. Please, do not include participating UN organizations unless this is relevant to the direct implementation modality (DIM).

⁵ Each UN organisation is to nominate one or more focal points to sign the report. Please refer to the *UN-REDD Programme Planning, Monitoring and Reporting Framework* document for further guidance.

1.2 Monitoring Framework

In the table below, please report on cumulative progress to date based on the Monitoring Framework included in the signed National Programme Document. Please input cumulative achievements and achievements gained in the reporting period (based on the goals stated in the annual work plan). If there is no data to be reported in the reporting period, please mark N/A. Please add additional rows as needed. For further information on verification methods, responsibilities, risks and assumptions, please consult the Monitoring Framework of the National Programme.

| Expected results (outcomes and outputs) | Indicators | Baseline | General Progress (cumulative achievements) | | Progress made in achieving annual goals (achievements during the assessed period) | |
|---|---|---|---|--|--|--|
| | | | Expected achievements (Based on the National Programme Document) | Cumulative achievements towards the goal (outcome or output) | Expected annual achievement (Based on the annual work plan) | Progress made towards annual goal (outcome or output) |
| From Results Framework | From Results Framework | <p>Baselines are a measure of the indicator at the start of the National Programme</p> <p><u>Baseline for all indicators:</u></p> | The desired level of improvement to be reached at the end of the National Programme | <p>The actual level of performance reached at the end of the reporting period. Please provide a substantive assessment of the achievement of target to date, no more than 100 words per output.</p> <p><u>An achievement is made when a goal is completed or attained successfully.</u> Examples of achievements are published reports or an operating monitoring system. Drafting Terms of Reference is <i>not</i> an achievement.</p> <p><u>For each achievement please specify:</u></p> <ul style="list-style-type: none"> • <i>What</i> was achieved • <i>Who</i> was involved • <i>When</i> the achievement was made <p>For each product please provide links if available.</p> | The desired level of improvement at the end of the National Programme, based on the NP annual work plan. | <p>The actual level of results reached at the end of the reporting period. Please provide a substantive assessment of the achievement of target to date, no more than 100 words per output.</p> <p><u>An achievement is made when a goal is completed or attained successfully.</u> Examples of achievements are published reports or an operating monitoring system. Drafting Terms of Reference is <i>not</i> an achievement.</p> <p><u>For each achievement please specify:</u></p> <ul style="list-style-type: none"> • <i>What</i> was achieved • <i>Who</i> was involved • <i>When</i> the achievement was made <p>For each product please provide links if available.</p> |
| Outcome 1: Institutional capacity established for the efficient coordination and execution of a REDD+ national strategy in Panama. | | | | | | |
| 1.1 Legal framework for the implementation of the REDD+ national | - Proposal of legal framework to support implementation of REDD+ national strategy approved | There is no proposal of legal framework. | Proposal drafted. | The Programme completed the first analysis phase that included a review of the current situation on legal issues associated to a REDD+ programme. The analysis included the areas of (i) normative | | Results of work on legal issues were shared with national counterparts (government, civil society) and international counterparts at local and regional forums. |

| Expected results (outcomes and outputs) | Indicators | Baseline | General Progress (cumulative achievements) | | Progress made in achieving annual goals (achievements during the assessed period) | |
|---|--|---|---|---|---|---|
| | | | Expected achievements (Based on the National Programme Document) | Cumulative achievements towards the goal (outcome or output) | Expected annual achievement (Based on the annual work plan) | Progress made towards annual goal (outcome or output) |
| strategy validated | <p>by 2013</p> <p>- Number of stakeholders support the implementation of the REDD+ legal framework (this number will be determined during the inception phase of the project)</p> <p>- By 2013, there is consensus reached on the issue of carbon ownership among all stakeholders</p> | <p>No beneficiaries have been identified</p> <p>While some local organizations have carried out preliminary analysis on the issue of carbon ownership, there is still confusion on how to address this issue from the legal and operational point of view</p> | <p>To be determined during the inception phase of the activity.</p> <p>Consensus reached on the issue of carbon ownership</p> | <p>framework; (ii) environmental governance, (iii) land tenure; (iv) rights associated to carbon use and (v) carbon sequestration in the current national legislation. The process of development of the report included interviews and discussion with a wide array of stakeholders.</p> <p>The result obtained showed that the current legal framework does not provide clear guidance on carbon ownership, leaving the topic open to the interpretation of the parties.</p> <p>The legal framework analysis functioned as a working group where stakeholders of the REDD+ process agreed that REDD+ incentives and payments should reach to those who have the capacity and are committed to contributing to the sustainable use of forests.</p> | <p>A second work phase on legal aspects aiming to explore mechanisms present in the legal and regulatory frameworks that could be applied to the case of REDD+. This intends to ensure that the incentives and/or payments reach target groups.</p> | <p>The start of the second work phase was delayed until the first half of 2013, so that it matches the REDD+ National Working Committee, which was launched at the end of the year and will be in charge of defining the National REDD+ Strategy in the country. The legal component is a critical aspect of the Strategy.</p> <p>Including the work on legal aspects into the REDD+ National Working Committee aims to increase the legitimacy of results and ensure participation in discussions.</p> |
| 1.2. Operational framework for the implementation of the REDD+ strategy | <p>- Number of sectoral policies that include REDD+ objectives (baseline and goals will be defined during the inception phase)</p> <p>The State's investment in \$\$ increases in order to support the</p> | <p>To be determined during the inception phase of the activity.</p> <p>To be determined during the inception phase of the activity.</p> | <p>To be determined during the inception phase of the activity.</p> <p>To be determined during the inception phase of the activity.</p> | <p>During the reporting period, the Government established the REDD+ National Working Committee, as well as technical sub-working groups on specific topics. The REDD+ National Working Committee has seen a broad participation of Government, NGO, IP stakeholders, among others, and has held plenary meetings twice since its creation, with the participation of 65 and 79 people, respectively.</p> | <p>The REDD+ National Strategy is in process of development, with an active participation of stakeholders aiming to design a Strategy that maximizes social and environmental benefits beyond carbon.</p> | <p>The inception workshop took place in the first quarter of the year.</p> |

| Expected results (outcomes and outputs) | Indicators | Baseline | General Progress (cumulative achievements) | | Progress made in achieving annual goals (achievements during the assessed period) | |
|---|---|--|---|--|---|--|
| | | | Expected achievements (Based on the National Programme Document) | Cumulative achievements towards the goal (outcome or output) | Expected annual achievement (Based on the annual work plan) | Progress made towards annual goal (outcome or output) |
| | <p>implementation of the REDD+ National Strategy (goal to be defined during the inception phase).</p> <p>- The National REDD+ Committee facilitates coordination among relevant actors for the implementation of the REDD+ National Strategy</p> <p>- Formulation of the REDD+ National Strategy based on the results of the readiness phase and agreed with main social actors</p> | <p>The REDD+ National Committee has not been established yet.</p> <p>There is no REDD+ national strategy</p> | <p>REDD+ National Committee established, sessions regularly held and coordination among stakeholders facilitated.</p> <p>A REDD+ National Strategy developed in a participative manner by the end of the Programme.</p> | <p>The first meeting focused on creating a consultative national working committee on the Mechanism on Reducing Emissions from Deforestation and Forest Degradation (REDD+) in Panama, with a broad representation of several sectors, contributing to the development of a national strategy on this matter, a goal that was achieved successfully. The second meeting of the Working Committee, held last December, defined 12 guidelines that will become (in the following nine months) a framework for discussing topics related to the REDD+ National Strategy, as well as a roadmap for subsequent months. In both meetings, not only did ANAM officials participate, but also officials from other public institutions, CS representatives, the academia, NGOs, IP and Afro-Darienite community representatives, together with the UN agencies supporting the Programme, participated in the events.</p> <p>The technical sub-working groups have met repeatedly and their outcomes will inform the REDD+ National Strategy in Panama.</p> <p>As an input to the creation of the Strategy, the National REDD+ Team generated inertial deforestation scenarios for the next 20 years. This was done based on the database</p> | | <p>The multi-sectoral REDD+ National Working Committee process was launched in the absence of a REDD+ National Committee. The Programme hired a Secretary, and two plenary meetings have been held in 2012, complemented by the work of the technical sub-working groups. The drafting of the National REDD+ Strategy is expected to conclude during 2013.</p> |

| Expected results (outcomes and outputs) | Indicators | Baseline | General Progress (cumulative achievements) | | Progress made in achieving annual goals (achievements during the assessed period) | |
|---|--|---|---|--|--|--|
| | | | Expected achievements (Based on the National Programme Document) | Cumulative achievements towards the goal (outcome or output) | Expected annual achievement (Based on the annual work plan) | Progress made towards annual goal (outcome or output) |
| | | | | generated by a rural development project implemented by the national Government, aiming to explore low, medium and high-performance scenarios, their impacts in the forest cover and the scope of a REDD+ programme. Besides, the project generated various information layers with multiple benefits, and the planning of a multi-criteria analysis for prioritizing REDD+ areas under several development assumptions started. | | |
| 1.3 Sectoral, institutional, municipal and individual capacities strengthened for implementation of the REDD+ national strategy | <ul style="list-style-type: none"> - National training plan defined in 2010 - National Communication Campaign Project defined in 2010 - National Consultation Plan defined with its protocol in 2010 - Number of representatives of the relevant actors have the capacity to implement the REDD+ national strategy (goal to be defined during the project's inception phase) | <p>There is no national training plan</p> <p>There is no national communication plan</p> <p>There is no national consultation plan</p> <p>To be determined during the inception phase of the activity</p> | <p>National training plan developed and implemented</p> <p>National communication plan developed and implemented</p> <p>National consultation plan developed and implemented</p> <p>To be determined during the inception phase of the activity</p> | <p>The project's communication strategy was completed and communication and dissemination activities were launched around the country and among various target groups.</p> <p>The hiring process for the implementation of a training programme for target groups concluded.</p> <p>An REDD+ information workshop addressed to officers of regional authorities in the central region was carried out. Also, a REDD+ information workshop addressed to the civil society was held during the Azuero Fairs, in Los Santos; both events were organized in collaboration with the ANAM Climate Change Unit. A forum on forests and sustainability, in cooperation with the Technological University of Panama was carried</p> | <p>By the end of 2012, the national communication plan is expected to be ready and implemented.</p> <p>Substantial progress is expected towards the development of a national training plan, as well as its consultation and implementation.</p> | <p>During the reporting period, the communication and information plan was completed. A specialist in communications was hired by the project.</p> <p>Progress was made towards the development of training modules on climate change and REDD+.</p> <p>REDD+ information and socialization workshops have been organized in various provinces around the country, such as Bocas del Toro, Chiriquí, Veraguas, Herrera, Los Santos and Coclé. An average of 35 people participated in each one of these workshops. In addition, there has been broad participation in forums, COONAPIP general assemblies, general congresses held by the Indigenous Peoples authorities of Panama, as well as events held by professionals and by Gunas indigenous authorities.</p> |

| Expected results (outcomes and outputs) | Indicators | Baseline | General Progress (cumulative achievements) | | Progress made in achieving annual goals (achievements during the assessed period) | |
|---|--|--|---|---|--|--|
| | | | Expected achievements (Based on the National Programme Document) | Cumulative achievements towards the goal (outcome or output) | Expected annual achievement (Based on the annual work plan) | Progress made towards annual goal (outcome or output) |
| | | | | out, as well as validation workshops on opportunity costs and land use paths in Metetí, Santiago and Changuinola. | | |
| 1.4. A payment and benefit-sharing system validated and operational | <ul style="list-style-type: none"> - A payment and benefit-sharing strategy completed and validated by 2012 - Entity in charge of providing and monitoring payments and equal distribution established in 2012. - Agreement amongst relevant actors on the payment and benefit-sharing mechanism, and cost assessment methodology and benefit distribution. | <p>There is no payment and benefit-sharing strategy</p> <p>There is no entity in charge of providing and monitoring payments and payment distribution</p> <p>No payment mechanism has been agreed.</p> | <p>Payment and benefit distribution strategy validated.</p> <p>Entity in charge of providing and monitoring payments and equal distribution established.</p> <p>Agreement on mechanism reached.</p> | <p>No work is planned on this area during 2012.</p> | <p>A validated strategy on benefit distribution and the designation of an entity responsible for monitoring is expected by the end of the Programme.</p> <p>No work is planned on this area during 2012.</p> | <p>No work was carried out in this area during 2012.</p> |
| Outcome 2: Technical capacity to monitor, measure, inform, and verify the reduction of emissions from deforestation and forest degradation | | | | | | |
| 2.1. A national forests and carbon inventory and monitoring system | - National System designed in 2012 | There is no national forest and carbon monitoring system | National system designed | <p>General structure of the national forest and carbon inventory and monitoring system defined and agreed. Its components are:</p> <ol style="list-style-type: none"> 1. Satellite monitoring of land use changes and types of forests | At the end of the Programme, there is a national forest and carbon inventory and a monitoring system, with an established methodology and protocols, necessary equipment and trained technical staff from | <ul style="list-style-type: none"> - Participative elaboration of a forest cover and land use terms, definitions and classification proposal - Elaboration of a database of trees species in Panama with species |

| Expected results (outcomes and outputs) | Indicators | Baseline | General Progress (cumulative achievements) | | Progress made in achieving annual goals (achievements during the assessed period) | |
|---|--|---|---|---|---|---|
| | | | Expected achievements (Based on the National Programme Document) | Cumulative achievements towards the goal (outcome or output) | Expected annual achievement (Based on the annual work plan) | Progress made towards annual goal (outcome or output) |
| | <ul style="list-style-type: none"> - A demonstrative pilot project for forest and carbon inventory and monitoring - Number of local indigenous actors and other stakeholders trained in forest and carbon inventory, monitoring and evaluation by 2012 - Biomass and carbon estimation methods elaborated by 2012 | <p>There are no demonstrative projects</p> <p>No actors have been trained</p> <p>Generic methods exist but they need to be validated and adjusted to the Panamanian context and adapted to the future national forest monitoring system</p> | <p>One demonstrative pilot project for forest and carbon inventory and monitoring</p> <p>Number of local indigenous actors and other stakeholders trained in forest and carbon inventory, monitoring and evaluation</p> <p>Biomass and carbon estimation methods elaborated</p> | <p>with an online interface</p> <p>2. New base map of forest cover and land use</p> <p>3. National Forest and Carbon Inventory (NFCI)</p> <p>4. National Greenhouse Gases Inventory</p> <p>A pilot forest inventory and monitoring project has been designed. A methodology and protocols have also been defined for elaborating a forest cover and land use map, including a new forest and land use classification system. Image interpretation for the new map shows a progress of 20%.</p> <p>Thirty people have been trained in forest inventories, three of which were technicians from Indigenous Peoples. Four ANAM technicians were trained in satellite monitoring with support of the Japanese International Cooperation Agency (JICA) and the Brazilian Cooperation Agency (ABC).</p> <p>In collaboration with other regional actors, information on biomass allometric equations is been collected in Latin America. Also, a database on tree species in Panama has been established. Collaboration with the Smithsonian Tropical Research Institute (STRI) has been established in order to assess the use of LIDAR for carbon estimates and mapping.</p> | <p>national institutions, local actors and other stakeholders.</p> <p>Expected achievements in 2012:</p> <ul style="list-style-type: none"> - Proposal of a forest and land use classification system - Database of tree species in Panama - 70% progress on the forest cover and land use map - Establishing 50 pilot sampling units for the National Forest and Carbon Inventory - Methodological proposal of satellite monitoring for REDD+ - Strengthening ANAM by providing equipment and satellite data - Capacity strengthening and building on forest and carbon inventories, satellite monitoring, image interpreting and GIS | <p>codes and regional distribution, including information source.</p> <ul style="list-style-type: none"> - First set of recent, high resolution satellite images of the whole country - Definition of methodology and protocols for interpreting satellite images and preparing a forest cover and land use base map - Progress on a validation protocol for the interpretation made - 20% progress on interpreting the new forest cover and land use map - Design of the NFCI pilot sampling completed, as well as logistic arrangements for field data collection; ToR for contracting companies carrying out fieldwork also completed. - Field manual, protocols and forms ready - Software for managing the database generated from NFCI developed - Procurement of 90% of equipment and materials - Identification of allometric equations for quantifying biomass and carbon launched - First training activities for technical staff from national institutions, local actors and other stakeholders on forest cover and land use mapping, and on NFCI data collection |

| Expected results (outcomes and outputs) | Indicators | Baseline | General Progress (cumulative achievements) | | Progress made in achieving annual goals (achievements during the assessed period) | |
|--|---|---|--|--|--|--|
| | | | Expected achievements (Based on the National Programme Document) | Cumulative achievements towards the goal (outcome or output) | Expected annual achievement (Based on the annual work plan) | Progress made towards annual goal (outcome or output) |
| | - Results on forest and carbon biomass analyzed and available by 2012 | No results available | Results on forest and carbon biomass analyzed and available | | | |
| 2.2. Reference Emissions scenario ⁶ .. | <ul style="list-style-type: none"> - Baseline established for 2012⁶ - Number of local actors trained in the definition of a reference emission scenario (the goal will be defined during the inception phase of the project) - Reference emission scenario defined by 2012. | <p>There is no baseline.</p> <p>There are no trained local stakeholders.</p> <p>There is no reference emission scenario</p> | <p>Baseline established</p> <p>Number of stakeholders trained in the definition of a reference emission scenario (goal to be defined during the inception phase of the project)</p> <p>Reference emission level scenario defined</p> | The Programme succeeded in creating a BAU scenario for the next 20 years indicating deforestation levels and land use changes. Also, an information database on infrastructure development projects and other projects (roads, mining, hydroelectric plants, tourism, etc.) affecting the national forest cover was created. | <p>The REDD+ National Strategy includes national RL/REL validated by all stakeholders.</p> <p>Expected achievements in 2012:</p> <ul style="list-style-type: none"> - Definition of BAU and REDD+ scenarios - Training workshop on methodologies for establishing RL/REL - Methodological proposal for the analysis of historical deforestation | <p>In this reporting period, field data was collected for calibrating future deforestation models with and without REDD+. A BAU scenario was created as an input for determining the reference level.</p> <p>Progress was made towards a historical deforestation analysis proposal not based on forest cover maps, but on a FAO-developed proposal for identifying land use changes through satellite sampling.</p> |
| 2.3. A system for carbon accounting and information on emissions | <ul style="list-style-type: none"> - A carbon accounting system defined by 2013 - A National Office for Greenhouse | <p>There is no carbon accounting system</p> <p>There is no GHG inventory office</p> | <p>A carbon accounting system defined</p> <p>A GHG national unit established and operating</p> | No work planned on this area during 2012 | By the end of the Programme, a carbon accounting system and a national GHG unit established and functioning. | No work planned on this area in 2012. |

⁶ The terms “reference emission scenario” and “baseline” are no longer part of the terminology used in REDD+ negotiations. Within this monitoring matrix, they are both considered synonyms of the terms “forest reference levels (RL)” and “reference forest emission levels (REL)”

| Expected results (outcomes and outputs) | Indicators | Baseline | General Progress (cumulative achievements) | | Progress made in achieving annual goals (achievements during the assessed period) | |
|---|--|----------|--|--|---|---|
| | | | Expected achievements (Based on the National Programme Document) | Cumulative achievements towards the goal (outcome or output) | Expected annual achievement (Based on the annual work plan) | Progress made towards annual goal (outcome or output) |
| | Gases established and operating by 2013. | | | | | |

1.3 Financial information

In the table below, please provide up-to-date information on activities completed based on the Results Framework included in the signed National Programme Document; as well as financial data on planned, committed and disbursed funds. The table requests information on the cumulative financial progress of the National Programme implementation at the end of the reporting period (including all cumulative yearly disbursements). Please add additional rows as needed.

Definitions of financial categories:

- *Commitments*: Includes all amount committed to date. A commitment is the amount for which legally-binding contracts have been drafted, which have been included in the agency's financial system, i.e. multi-annual commitments to be disbursed in subsequent years.
- *Disbursement*: Amount paid to a vendor or entity for goods received, work completed, and/or services rendered (does not include un-liquidated obligations)
- *Expenditures*: Total of commitments plus disbursements

| PROGRAMME OUTCOME | UN ORGANISATION | PROGRESS MADE ON IMPLEMENTATION | | | |
|--|-----------------|---|--|------------------|------------------------------|
| | | Amount transferred from MPTF to the Programme (A) | Cumulative expenditures up to 31 December 2012 | | |
| | | | Commitments (B) | Disbursement (C) | Total expenditures (D) (B+C) |
| 1.1 Legal framework for the implementation of the REDD+ national strategy validated | FAO | 0 | 0.00 | 0.00 | 0.00 |
| | UNDP | 45,000 | 24,493.47 | 1,951.00 | 26,444.47 |
| | UNEP | 85,000 | 0.00 | 30,000.00 | 30,000.00 |
| Subtotal | | 130,000 | 24,493.47 | 31,951.00 | 56,444.47 |
| 1.2. Operational framework for the implementation of the REDD+ strategy | FAO | 0 | 0.00 | 0.00 | 0.00 |
| | UNDP | 452,000 | 42,000.00 | 138,943.95 | 180,943.95 |
| | UNEP | 412,500 | 212,100.00 | 250,400.00 | 462,500.00 |
| Subtotal | | 864,500 | 254,100.00 | 389,343.95 | 643,443.95 |
| 1.3 Sectoral, institutional, municipal and individual capacities strengthened for implementation of the REDD+ national strategy | FAO | 0 | 0.00 | 0.00 | 0.00 |
| | UNDP | 240,000 | 91,843.27 | 272,266.15 | 364,109.42 |
| | UNEP | 64,000 | 20,000.00 | 65,500.00 | 85,500.00 |
| Subtotal | | 304,000 | 111,843.27 | 337,766.15 | 449,609.42 |
| 1.4. A payment and benefit-sharing system validated and operational | FAO | 0 | 0.00 | 0.00 | 0.00 |
| | UNDP | 110,000 | 36,000.00 | 0.00 | 36,000.00 |
| | UNEP | 16,500 | 0.00 | 0.00 | 0.00 |
| Subtotal | | 126,500 | 36,000.00 | 0.00 | 36,000.00 |
| 2.1. A national forests and carbon inventory and monitoring system | FAO | 1,455,000 | 1,096.02 | 603,393.91 | 604,488.93 |
| | UNDP | 0 | 0.00 | 0.00 | 0.00 |
| | UNEP | 0 | 0.00 | 0.00 | 0.00 |
| Subtotal | | 1,455,000 | 1,096.02 | 603,392.99 | 604,488.93 |
| 2.2. A Reference Emissions scenario | FAO | 60,000 | 0.00 | 0.00 | 0.00 |
| | UNDP | 0 | 0.00 | 0.00 | 0.00 |

| PROGRAMME OUTCOME | UN ORGANISATION | PROGRESS MADE ON IMPLEMENTATION | | | |
|---|---------------------|---|--|---------------------|------------------------------|
| | | Amount transferred from MPTF to the Programme (A) | Cumulative expenditures up to 31 December 2012 | | |
| | | | Commitments (B) | Disbursement (C) | Total expenditures (D) (B+C) |
| | UNEP | 125,000 | 45,733.00 | 134,661.00 | 180,394.00 |
| Subtotal | | 185,000 | 45,733.00 | 134,661.00 | 180,394.00 |
| 2.3 A system for carbon accounting and information on emissions | FAO | 55,000 | 0.00 | 0.00 | 0.00 |
| | UNDP | 0 | 0.00 | 0.00 | 0.00 |
| | UNEP | 55,000 | 0.00 | 0.00 | 0.00 |
| Subtotal | | 110,000 | 0.00 | 0.00 | 0.00 |
| Programme Management/Coordination | FAO | 0 | 0.00 | 0.00 | 0.00 |
| | UNDP | 0 | 0.00 | 0.00 | 0.00 |
| | UNEP | 21,000 | 0.00 | 0.00 | 0.00 |
| Indirect costs (7%) | FAO | 109,900 | 0.00 | 42,237.59 | 42,237.51 |
| | UNDP | 59,290 | 0.00 | 28,921.28 | 28,921.28 |
| | UNEP | 54,530 | 0.00 | 27,160.00 | 27,160.00 |
| Subtotal | | 244,720 | 0.00 | 98,318.87 | 98,318.87 |
| | FAO (Total) | 1,679,900 | 1,096.02 | 645,630.50 | 646,726.52 |
| | UNDP (Total) | 906,290 | 194,336.74 | 442,082.38 | 636,419.12 |
| | UNEP (Total) | 833,530 | 277,833.00 | 507,721.00 | 785,554.00 |
| | Grand TOTAL | 3,419,720 | 473,265.76 | 1,595,433.88 | 2,068,699.64 |

1.3.1 Co-financing

In the table below, please inform on additional resources (direct co-financing) received for activities supported by the UN-REDD Programme.

| Co-financing Sources ⁷ | Name of co-funder | Co-financing type ⁸ | Amount (USD) |
|-----------------------------------|-------------------|----------------------------------|--------------|
| Bilateral assistance | JICA / ABC | International training in Brazil | 20,000 |
| | | | |
| | | | |
| | | | |

1.3.2 Additional financing for REDD+ national efforts promoted by the National Programme

| Name of financing source | Description | Amount (USD) |
|----------------------------|------------------------------|--------------|
| National Government (ANAM) | National financing for REDD+ | 144,479 |
| | | |
| | | |
| | | |

2. National Programme Progress

Questions in section 2 intend to capture progress made and challenges seen by the National Programme during the reporting period. Also, questions intend to obtain information on coordination, national ownership and development effectiveness. Please, provide your answers after each question.

2.1 Narrative on Progress, Difficulties and Contingency Measures

The following questions intend to capture how activities evolved, outputs were generated and outcomes achieved. Also, please describe challenges in and outside the National Programme, as well as contingency measures to overcome these challenges.

2.1.1 Please provide a brief overall assessment of the extent to which the National Programme is progressing in relation to expected outcomes and outputs. Please provide examples if relevant (600 words).

The main achievements of the Programme can be summarized as follows:

- Programme implementation rates increased substantially. Based on an analysis of implementation difficulties carried out in September, urgent corrective measures were taken and changes to the operations modality were made. Financial information states that the implementation rate increased by 80% compared to the first half of the year. Specific technical activities carried out under each Programme component are described in the monitoring framework table, in section 1.2. of this report.
- The national team on planning, communications, training and development of the REDD+ National Strategy was strengthened, and several contracting agreements were reached during the second half of 2012. Furthermore, technical and operational support for consultation with and participation of stakeholders in UN-REDD Panama has been secured. This reinforcement of the national team, which happened during the last quarter of 2012, is already showing results, such as an improvement in the

⁷ Indicate if the co-financing source comes from a bilateral assistance organization, a foundation, a local authority, the national Government, the civil society, other multilateral agencies, the private sector or any other.

⁸ Indicate if co-financing was provided in kind or cash.

implementation of activities.

- The first inception workshop of the Programme took place. Also, REDD+ information and training activities, such as inception workshops in seven regional ANAM administrations, were held with the participation of not only ANAM officials but also civil society representatives. REDD+ information activities addressed to ANAM officials and the civil society were reinforced, and a forum on forests and sustainability, along with information validation workshops on opportunity costs and land use paths in Metetí, Santiago and Changuinola took place. Also, as part of the preparatory tasks for the National Forest and Carbon Inventory, information activities on REDD+ and the Inventory were developed in cooperation with regional ANAM officials and several indigenous communities.
- The REDD+ National Working Committee was established as a consultation and participation platform for designing the REDD+ National Strategy. It held two plenary meetings in the second half of the year. Also, sub-working groups were created, which have already held meetings and started functioning. The National Committee and the sub-working groups are platforms for discussing progress made on REDD+ readiness in Panama, jointly assessing the likely impacts of REDD+ in Panama and collectively building the future REDD+ National Strategy.
- Stakeholder involvement in the UN-REDD Programme has improved. These include non-indigenous groups representatives, such as Afro-descendants organized under the Coordinating Body of Darien Black Communities, who have actively participated in the process of formulating the REDD+ National Strategy (registered in attendance lists), as well as in the process of designing training modules on climate change and forests, in cooperation with the Virtual School (field workshop held in December 2012).
- After receiving a letter from the National Coordinating Body of Indigenous Peoples in Panama (COONAPIP) in June 2012, discussions with COONAPIP were resumed through a high-level commission consisting of the United Nations System Resident Coordinator in Panama, the General Manager of ANAM, the Directorate of COONAPIP, and indigenous authorities and representatives. This high-level commission agreed upon the creation of a technical commission for discussing critical aspects and elaborating a draft agreement on the discussion held by the High-Level Commission. From September 2012 to January 2013, the Technical Commission met four times and made important progress on thematic, procedure and budget areas. This Technical Commission consists of representatives of the Bribri, Bugle, Embera, Kuna, Naso, Ngäbe and Wounaan peoples, as well as of ANAM and the UN agencies. Nevertheless, after starting working on budgets and sharing a draft document on work articulation between the UN-REDD Programme and the Indigenous Peoples of Panama, the work of the Technical Commission was interrupted and it was not possible to present the progress made and pending challenges to the High-Level Commission (see section 2.1.5).

2.1.2 Please provide a brief overall assessment of any measures taken to ensure the sustainability of the National Programme results during the reporting period. Please provide examples if relevant. (250 words)

The main actions for ensuring the Programme's sustainability include the following:

- The team of professionals facilitated by ANAM has become stable and has not suffered from substantial changes during the year. This has allowed for continuity in the activities, as well as the possibility to establish lasting relationships between the national team staff and the UN agencies. The UN-REDD team of ANAM includes a significant number of professionals of various areas of knowledge who participate both in programme management and technical activities for achieving several outputs.
- During the last semester, through the establishment of the National Committee and the sub-working groups as platforms for participation and consultation for elaborating the REDD+ National Strategy, it has been possible to open the process to a broad number of stakeholders. Participation in these platforms is voluntary. This methodology will contribute to a better sustainability of the outcomes achieved both in the short and long terms. However, the fragility of this "new-born" participatory space requires significant attention and follow-up. Time will be required so that the progress and achievements made by the working groups and forums reaches consensus. The Programme expects that the latter increases the groups' sustainability.

- Activity planning started in order to secure financing for REDD+ implementation in Panama. Training and information activities at a local level are envisioned, as well as the establishment of contacts with the private sector and markets, which allows to access long-term financing for the earliest REDD+ activities.
- In parallel to the activities described above, the work of other donors interested in financing pilot actions on the ground is being facilitated, for instance, in the Panama Canal Basin, in cooperation with the German Agency for International Cooperation (GIZ).

2.1.3 If there are difficulties in the implementation of the National Programme, what are the main causes of these difficulties? Please check the most suitable option.

- UN agency Coordination
- Coordination with Government
- Coordination within the Government
- Administrative (Procurement, etc) /Financial (management of funds, availability, budget revision, etc)
- Management: 1. Activity and output management
- Management: 2. Governance/Decision making (PMC/NSC)
- Accountability
- Transparency
- National Programme design
- External to the National Programme (risks and assumptions, elections, natural disaster, social unrest)

2.1.4 If boxes are checked under 2.1.3, please briefly describe any current *internal* difficulties⁹ the National Programme is facing in relation to the implementation of the activities outlined in the National Programme Document. (200 words)

Up to the first half of 2012, the lack of speed when implementing approved work plans became the biggest threat to the overall success of the Programme due to the frictions caused by the delays among stakeholders. For this reason, in August 2012, the Programme Steering Committee decided to take measures to significantly accelerate implementation and improve coordination between the UN agencies and ANAM. While it is important to continue adjusting procedures and reinforcing the national team, measures taken and momentum gained in implementation have shown positive results and a clear improvement in project implementation rates.

Actions taken by the Programme responded to several challenges: the first was that, in some cases, administrative processes within the UN agencies caused delays in the activities timeline; the second was that the Programme team took a significant amount of time to make decisions, define activities, define and approve ToRs, approve contracts and other administrative issues; the third was that ANAM's internal processes were generating delays – some of them substantial – due to the way of defining and approving activities, which needed the approval of ANAM's highest authorities regardless of the size and scope of proposed activities; the fourth factor identified as one of the causes for delays was the workload on some UN agency officials and ANAM staff, who can not always be replaced by other staff member available at the Programme management unit. For instance, this year, there were situations in which the agencies' or ANAM staff was called to provide services in other activities, which limited their time to address UN-REDD-related issues.

The UN-REDD Programme has been addressing these issues and has made substantial progress on some of them, especially on bottlenecks when it comes to decision-making, and strengthened the UN-REDD team. The project implementation rate, although still below optimal levels, has improved substantially.

⁹ Difficulties confronted by the team directly involved in the implementation of the National Programme

Difficulties were also found regarding the design of the readiness phase, which took place in 2009 with limited information. Such difficulties were identified both in the programmatic (activities had to be modified) and budgetary areas. Even though the latter does not represent a threat to the Programme, it implies reporting and budgeting challenges.

Regarding specific activities, those related to the cover and land use map, and the National Forest and Carbon Inventory, are having delays. Concerning the map, piloting showed that the satellite image interpretation process RapidEye required more time than expected and, therefore, it was necessary to significantly expand the work team and train new staff members. When it comes to the inventory, the delay was due to several reasons: FAO administrative processes, in combination with changes to the administrative/financial system at a corporation level; the difficulty to establish a cost structure reflecting Panamanian conditions; and the information and consultation process with indigenous authorities on this issue.

2.1.5 If boxes are checked under 2.1.3, please briefly describe any current *external* difficulties¹⁰ (not caused by the National Programme) that delay or impede the quality of implementation. (200 words)

Discussions with Indigenous Peoples have taken time and, in fact, almost resulted in the interruption of activities as the dialogue with COONAPIP was taking place. The cause of this conflict is connected to a rather low activity implementation rate when it comes to Indigenous Peoples, of which the Programme was partially responsible. In the second half of 2012, dialogue with COONAPIP was resumed, which allowed for significant progress by the High-Level Commission and its Technical Commission. However, this dialogue was left incomplete as soon as the Technical Commission addressed the topics of budget distribution and channeling ways, which were controversial due to differences among the parties. Results on progress made by the Technical Commission could not be presented to the High-Level Commission due to COONAPIP's withdrawal from the discussions. At the time of publication of this report, COONAPIP had announced its will to withdraw from the UN-REDD National Programme in Panama.

It is important to mention that, together with consultation processes, work should be done for strengthening national and local capacities, so that actors be previously informed by the time they participate in consultations. Consultation processes with indigenous communities and other forest-dependent communities will be carried out in accordance with the work of the National Committee and sub-working groups.

2.1.6 Please, briefly explain the actions that are or will be taken to eliminate or manage the difficulties (internal and external referred to in question 2.1.3, 2.1.4 and 2.1.5) described in the previous sections. (250 words)

Regarding problems with implementation rates, as reported, the Programme has been making adjustments geared toward significantly improving implementation. Coordination between ANAM and the agencies has also significantly improved after systematic team meetings. Transaction costs of administrative processes have also decreased after holding training sessions for UN agencies and ANAM staff, and understanding the needs of each party. In order to accelerate the preparation and conclusion of the ToR for contracting, the agreement was to proceed on a no-objection basis in order to reduce completion times in contracting processes. Concerning the Programme implementation unit, recruitment started in order to reinforce the unit by hiring staff that supports and help dynamize the implementation of activities. Although there is still much to improve, the renewed focus of the team to step up implementation has resulted in a significant increase of the programme implementation rate.

Concerning the conflict with COONAPIP, and as previously mentioned, the dialogue with Indigenous Peoples could be resumed during the reporting period. However, at the time this report was submitted, the dialogue

¹⁰ Difficulties confronted by the team caused by factors outside of the National Programme

had been interrupted. The UN-REDD Programme expects that the achievements of the High-Level Commission and the Technical Commission be registered in minutes, as agreed by the parties, as a basis for resuming the dialogue and continue making progress during 2013.

2.2 Inter-Agency Coordination

The purpose of the following questions is to collect information on how the National Programme is contributing to inter-agency cooperation and to the motto “Delivering as One”.

2.2.1 Is the National Programme in coherence with the UN Country Programme or other donor assistance framework approved by the Government?

Yes No

If not, please explain:

2.2.2 What types of coordination mechanisms and decisions have been taken to ensure joint delivery? Please reflect on the questions above and add any other relevant comments and examples if you consider it necessary:

During this year, the Programme Steering Committee was established, consisting of the UN agencies’ and ANAM high-level representatives, and the Ministry of Economy and Finance as the entity responsible for coordinating international cooperation in Panama.

Regarding coordination and decisions at an operational level, since April 2012, the Coordination Unit is holding half-monthly meetings, which are attended by the UN agencies, ANAM and the Programme Coordination. At these meetings, participants review the progress made and outstanding issues, and follow up on commitments made in previous sessions, with the guidance of the people responsible and sticking to fixed deadlines. Holding regular meetings has allowed for a better programme management. These meetings are documented through minutes, which have become a record of achievements.

Besides, work sessions and teleconferencing are used to address specific topics, hold regular and specific meetings among the Agencies, ANAM and COONAPIP; among the Agencies themselves; between them and ANAM; and with technical teams working on specific tasks.

2.2.3 Are there recommendations for assessing HACT (Harmonized Approach to Cash Transfer) being applied in the implementation of the National Programme by the three participating UN organization?

Yes No

If not, please explain and include which recommendations from the HACT assessment have been applied or not:

UNDP requested an independent assessment of the financial capacities of ANAM, which proved ANAM as a low-risk implementing partner. The socialization of results was expected to take place in July this year. However, ANAM announced to the Programme that, due to its procedures and administrative schedules, they prefer that administrative support continue to be provided by the UN agencies.

2.3 Ownership¹¹ and Development Effectiveness

¹¹ Ownership refers to countries exercising effective leadership over their REDD+ policies and strategies, and co-ordination of actions.

The purpose of the following questions is to gather relevant information on how the National Programme is applying effectiveness principles through national ownership, process standardization and harmonization, as well as through mutual responsibility.

2.3.1 Do government and other national implementation partners have ownership of the implementation of activities and the delivery of outputs?

No Some Yes

Please explain:

ANAM continues to actively participate in the technical and financial planning/execution of the Programme, including the supervision, review and acceptance of outcomes achieved. High-level political support to this institution has increased since the beginning of the project and has been formally demonstrated in the second half of the year. The participation of another Government partner of the Programme, i.e. the Ministry of Economy and Finance (MEF), was limited to attending Steering Committee meetings and assessing programme reports.

2.3.2 Are the UN-REDD Programme’s Guidelines for Stakeholder Engagement and Operational Guidance Engagement of Indigenous Peoples and Other Forest Dependent Communities been applied in the National Programme process?

No Partially Fully

Please explain, including if level of consultation varies between non-government stakeholders:

Historically, the Programme has seen a deeper kind of dialogue and consultations with Indigenous Peoples vis-à-vis other non-government actors. In 2012, the Programme worked for compensating this fact by improving the level of participation and consultation with non-indigenous actors through the REDD+ National Working Committee, as well as through specific information and dissemination actions addressed to the target groups.

2.3.3 What kind of decisions and activities are non-government stakeholders involved in?

Policy/decision making
 Management: Budget Procurement Service provision
 Other, please specify

Please explain, including if level of involvement varies between non-government stakeholders:

The level of participation of key non-government actors varies. Actors from Indigenous Peoples have been participating in planning and training activities under the National Forest and Carbon Inventory, as well as in information workshops on REDD+ components. Other key non-government, non-indigenous actors, such as universities (Technical University of Panama, National University of Panama), and research and capacity-building institutions (STRI, CATHALAC, CATIE), have participated focusing on the Programme’s technical and academic aspects.

2.3.4 Based on your previous answers, briefly describe the current situation of the government and non-government stakeholders in relation to ownership and accountability¹² of the National Programme. Please provide some examples.

¹² Accountability: Acknowledgment and assumption of responsibility for actions, products, decisions, and policies and encompassing the obligation to report, explain and be answerable for resulting consequences.

The involvement of key government and non-government actors in the Programme in terms of national ownership and mutual responsibility varies according to each individual actor. When it comes to government actors (ANAM and MEF), ANAM, a national institution responsible for and leader of the Programme, is fully empowered concerning the technical aspects of the Programme, and its high-level political support has increased. As yet, the involvement of key non-government actors is limited to the REDD+ National Working Committee's and sub-working groups' participative tasks, as well as to REDD+ information, socialization and training, and programme-specific activities.

3. Government Counterpart Information

The aim of this section is to allow the Government Counterpart to provide their assessment, as well as additional and complimentary information to Section 1-2, which are filled out by the three participating UN organizations.

Comments by the Government Counterpart:

The Project has reported important progress on different components. A major achievement is the establishment of the REDD+ National Working Committee, oriented towards the creation of the REDD+ National Strategy. Progress has also been made on the creation of the forest cover map and a pilot project with ACP and GIZ, which proposes to include the private sector in the reduction of emissions through REDD+ and operational improvements. REDD+ dissemination campaigns are designed to be published in several means of communication. The Programme has made significant progress on areas such as multiple benefits, REDD+ costs, and inputs to a spatial design of REDD+ that will allow for greater monetary and non-monetary benefits in the country. ANAM continues to provide political and technical support, as well as resources involving a significant number of staff members in programme activities. The conflict with COONAPIP resulted in delays affecting the work with Indigenous Peoples. However, this conflict is expected to be settled during 2013.

4. Information on other (non-government) stakeholders

The aim of this section is to allow non-government actors to provide their assessment, as well as additional and complementary information to Section 1-2, which are filled out by the three participating UN organizations.

In my role as President of the Coordinating Body of Community Councils of Black Communities of the Province of Darien, I hereby inform that we have participated in various events staged by the UN-REDD National Joint Programme in Panama in 2012. We took part in the REDD+ National Working Committee as representatives of the Coordinating Body of Community Councils of Black Communities of the Province of Darien, and also as members of the sub-working group on communication and training. Likewise, we have participated in the coordination and organization of a workshop with the participation of key actors from the province of Darien – especially from Afro-descendant communities in the region – through the UNDP Virtual School. We are organizing three information and consultation workshops for black communities in the province of Darien, and we are deeply interested in following up on the achievements of the Programme and contributing with our vision on how to preserve our forest resources in order to mitigate emissions causing climate change. Very recently, we participated in a meeting of the sub-working group on communication and training, where we requested to present the vision and mission of the REDD Strategy at the next National Committee meeting. This document [the Strategy] was created with the inputs of all stakeholders. To conclude, I would like to mention that all topics dealt with at the National Committee and sub-working groups are communicated to our province as soon as we are back in our community, and we can assure that our community members have a clear understanding of REDD+ and its meaning for the future of black communities and the rest of the Darien people.

Having nothing further to add, I hereby restate our will to continue collaborating with you.

Yours truly,

Víctor Alcázar

President of the Coordinating Body

In 2012, the Organization for Sustainable Development and Environment Conservation (ODESCA) participated in several events of the UN-REDD National Joint Programme in Panama, which include the first and second REDD+ National Working Committee meetings, and subsequent meetings held by the sub-working group on communication and training.

As an NGO based in the province of Veraguas and with experience in organizing community participatory workshops in the context of the NJP against climate change, operating in areas dwelled by native peoples and peasant communities, we are interested in the organization of regional workshops for contributing to the creation of the REDD+ National Strategy. We consider that the input of local communities is key to prepare a strategy from bottom to top and not necessarily from top to bottom.

It is necessary to define more precisely the endogenous participation process of forest-dependent local communities in the area of agricultural borders, so that the strategy provides appropriate training in terms of “*how to do*” rather than “*with what to do*”, geared not only to implement activities, but also to generate economic results. Likewise, we identify the need to train technical staff so that they guide and support participants whenever they encounter difficulties.

Noris Alain
ODESCA